

Community Providers Association
Caring for Connecticut.

Testimony to the Human Services Committee

by Barry M. Simon, Executive Director, Gilead Community Services, Inc.

HB 6582, An Act Establishing the Connecticut Health Care Partnership

March 2, 2009

HB 6582 (Raised) An Act Establishing the Connecticut Healthcare Partnership

Good morning Senator Doyle, Representative Walker and members of the Human Services Committee. My name is Barry Simon and I am the Executive Director of Gilead Community Services and Board Chair of Connecticut Community Providers Association (CCPA). Gilead Community Services is a mental health provider funded by DMHAS and DCF that serves almost 600 individuals throughout Middlesex County. CCPA represents organizations which provide services and supports for children and adults with disabilities and special needs including people with addictions, mental illness, developmental and physical disabilities.

I am here today to commend this committee for raising HB 6582, **Act Establishing the Connecticut Health Care Partnership** and for its support of any proposals that would allow community providers to offer high quality health insurance in an affordable manner. This legislation recognizes community providers as an integral part of the public/private partnership in the Purchase of Service Community healthcare system. As you know, the state pays us to take care of our clients in their community. To help them live as full a life as possible. We provide these services to about 500,000 residents in every town in the state. But unfortunately, at the same time the state asks us to deliver these services, it often fails to give us the funding we need to do so. Our clients need the services we offer in order to live more productive, fulfilling and healthy lives. The services we provide are essential services. If we are unable to deliver on behalf of our clients...then there are significant consequences. After more than 25 years of chronic under funding, any proposal that provides a measure of relief is welcomed. This

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legislation presents an opportunity to address part of the critical issue for the community providers: the rising cost of doing business, in particular Health Care costs.

By opening the State employee pool and allowing Community Providers to join voluntarily, there is the possibility we will be able to reduce costs and increase benefits for our employees. In theory this will allow us to take advantage of the increased bargaining power and reduced administrative costs associated with the State plan. The Key for us, as a unionized provider, is that participation will be voluntary and that there is sustained cost containment. If there is true success in keeping health care cost increases to a minimum, including a projected minimal increase for the upcoming fiscal year, then this would be very helpful to providing relief to our already overstretched budgets.

As you know, there was no COLA increase in FY09. The current budget proposes flat funding in FY10 and FY11. Three years of no increase for any state funded community provider contracts, coupled with decades of inadequate COLAs, simply does not address our ever increasing operating costs and has forced providers to reduce services. As healthcare providers our costs continue to rise with inflation. Over the past 20 years the Medical CPI has increased 197% while the state has increased its payments 33% (avg. 1.1% per year, see attached). As a business this is unsustainable; our agency costs have increased dramatically as we maintain 14 buildings, honor an 1199 union contract, pay for fuel, malpractice, workers comp and finally Health insurance which have increased 42%, 18% and 23% respectively this past year alone.

As an agency:

- We have changed health insurance packages 3 of the last 5 years.
- Our premiums have increased nearly 50% during that same time.
- Our co-pays have increased.
- As an Agency we spend more than \$75,000 per month on Healthcare in MEHIP.

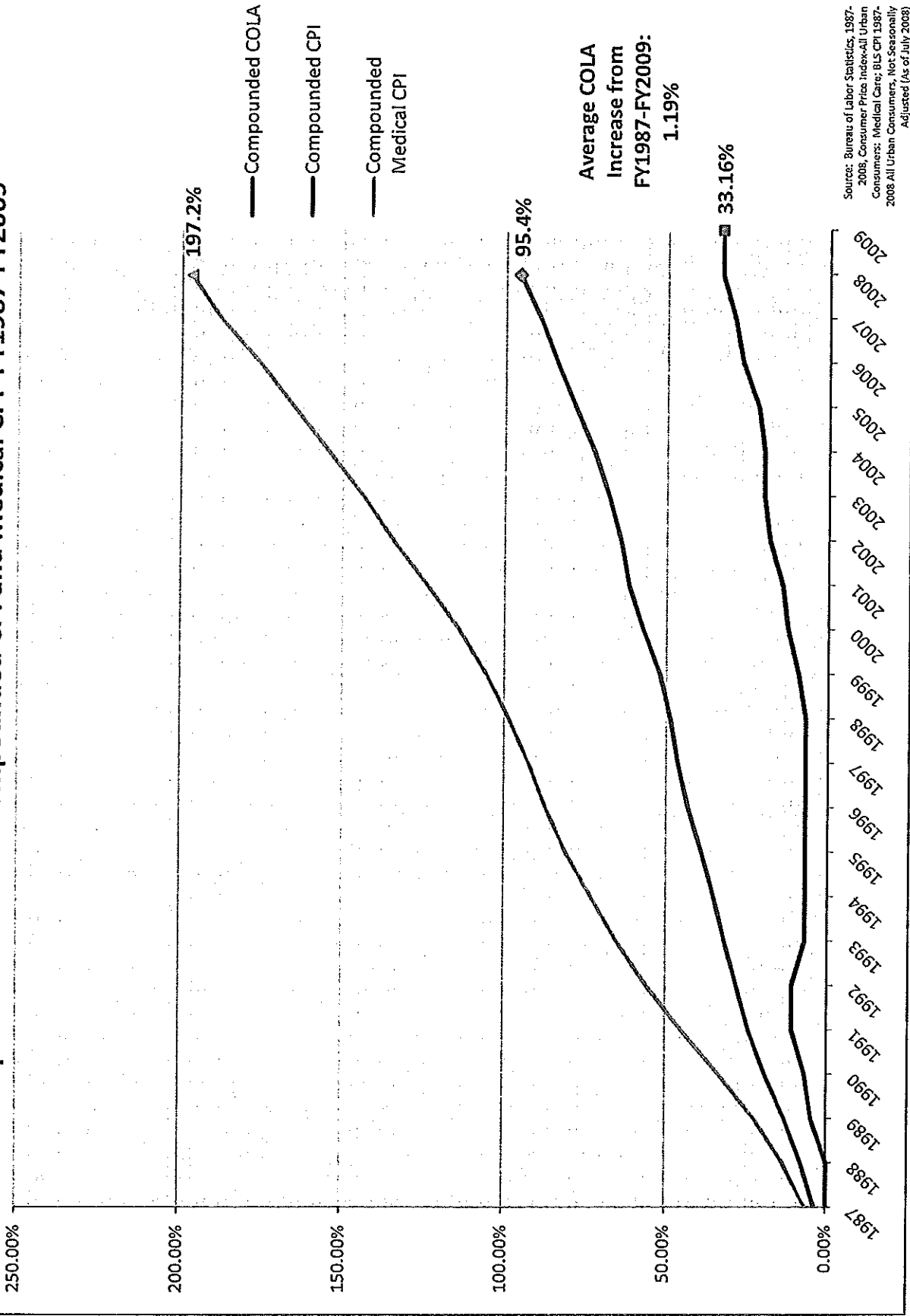
The Annual premium costs are comparable to what we are currently paying in MEHIP. I encourage you to look at ways that all community providers could afford to enter into this program. I challenge you to look creatively and go further to support the foundational community-based services and the preventative role that we play in order to create a sustainable system. You know that funding issues create staffing issues. You know that when those with

mental illness do not receive proper treatment they are likely to end up in emergency rooms, prisons or more expensive and less appropriate residential settings like nursing homes, thus costing the State even more money. Community Providers are part of the solution for the future of the service delivery system and preserving the investment made in quality, cost effective, community care.

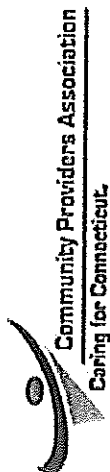
Please help the Community service providers in your community succeed by passing HB 5536 and by supporting legislation that allows community providers to offer quality affordable health insurance to our very hard working staff.

I thank you for your time and would be happy to answer any questions.

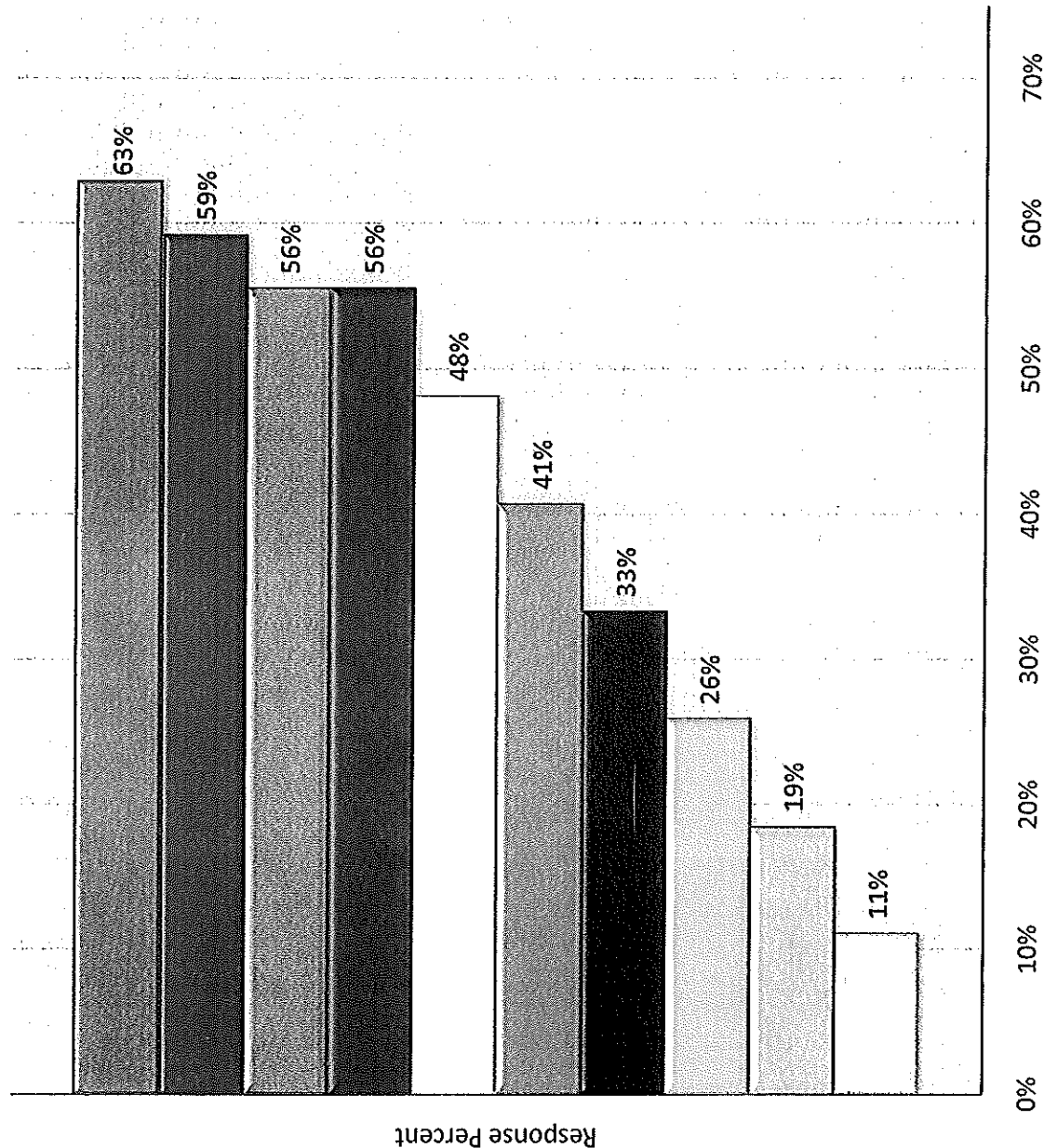
Compounded COLA vs. Compounded CPI and Medical CPI FY1987-FY2009



CCPA's Preliminary Analysis of Steps Taken by Private Providers to Deal with 0% COLA



- ☒ Keeping Positions Vacant/Delay Hiring
- ☒ Delaying Building Repairs/Upgrades
- ☒ Delaying Technological and Medical Equipment Repair/Upgrades
- ☒ Increasing Employee Contributions for Insurance
- ☒ Reducing Staff Development/Training
- ☒ Eliminating Positions
- ☒ Reducing Direct Services
- ☒ Reducing Employee Benefits
- ☒ Eliminating Programs
- ☒ Limiting Geographic Service Areas



Source: July 2008 CCPA Member Survey "Impact of 0% COLA and Increased Costs" Respondents

